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Savings Bank Journal

November 1982 — Official publication of the National Association of Mutual Savings Banks

ACT

S&L Stock Conversions
—looking back...and ahead

New Rates, Old Questions For Mortgagees

Maine, Massachusetts Annuals Hear Change Is Coming Fast

Misconceptions About EFT

(SAMPLE)
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Mortgaging trends

Rates fall. The average effective interest rate on mortgages for both new and existing homes declined between August and September, to 14.99% in September from 15.68% on new homes, and to 15.3% from 15.59% on existing homes, the FHLB Board reported last month.

The Bank Board also noted increases in the average term-to-maturity and average purchase price for both new and existing homes. For new homes, the average term-to-maturity was 28.2 years in September, compared with 26.4 years in August, and the average purchase price was $93,800, up from $91,400. For existing homes, the average term-to-maturity was 25.2 years in September, compared with 24.9 years, and the average purchase price was $70,200, compared with $69,200.

Starts rise. After bouncing up and down the past few months, housing starts bounced up again with vigor in September, rising 14.4% to a seasonally adjusted annual rate of 1.146 million the Commerce Department reported last month.

Single-family starts rose to a seasonally adjusted annual rate of 663,000 in September, from 622,000 in August, while total multifamily starts increased 27% to 483,000, from 380,000.

Building permits also increased between August and September, the Commerce Department said. Single-family permits rose to 576,000 in September, from 497,000, and total multifamily permits increased to 462,000, from 391,000 in August.

Forms mortgage affiliate. The $1.9 billion-assets Society for Savings, Hartford, Conn., recently established a mortgage banking subsidiary to market various mortgage instruments. It will offer three types of VRMs, a fixed-rate mortgage and a second mortgage program.

William R. Manning, formerly with Van Schaack and Co., Denver, was named president of the subsidiary, called Society Mortgage Corp.

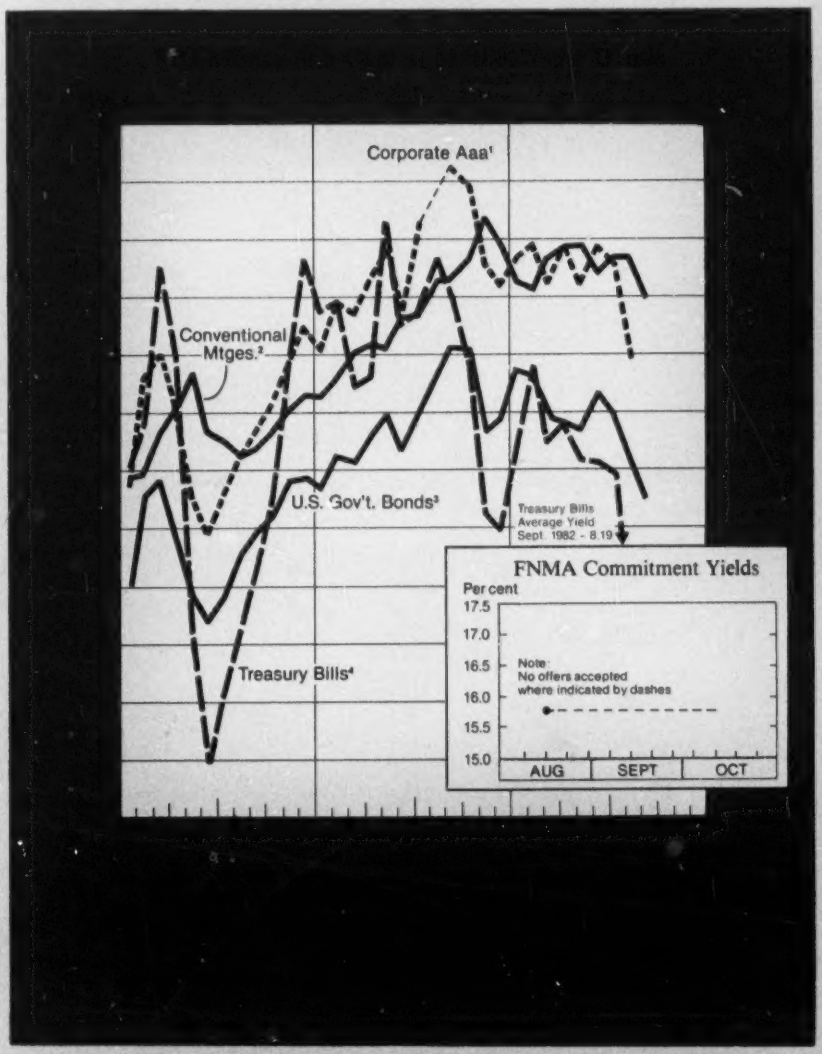
Bank officials said the growing complexity of the mortgage market warranted "the need for better customer service and a greater degree of specialization."

FDIC Assists—

Savings Bank, all of New York City.

In the second supervisory-assisted merger, the $56.8 million-assets, four-office Mechanics Savings became a division of the $931.7 million-assets, 16-office Syracuse Savings. Mechanics posted a net loss of $264,000 in the second quarter.

The FDIC assistance was in the form of a $2.5 million, five-year note payable in installments beginning Jan. 1, 1984. The agency said a depositor payoff would have cost FDIC $6.9 million, compared with this assistance, which has no immediate cost.



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savings bank statistics

Savings bank deposit flows remain weak ■ Reserves decline at slower pace

Prepared by NAMSB's Research Department • Jack Rubinson, Director

NET CHANGE IN REGULAR DEPOSITS IN SAVINGS BANKS

(Amounts in millions of dollars)

Period	Quarterly and Annually				State	Change by States							
						August 1982				August 1981			
	Excluding Interest		Including Interest			Excluding Interest		Including Interest		Excluding Interest		Including Interest	
	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%	Amount	%
Annually					Conn.	−75	−.51	51	.34	−184	−1.33	72	−.52
1978	−591	−.45	7,697	5.80	Me.	−18	−.67	3	.11	−18	−.72	2	.06
1979	−6,962	−4.93	2,659	1.88	Md.	−1	−.03	13	.73	−7	−.42	4	.25
1980	−4,863	−3.38	6,851	4.76	Mass.	−148	−.68	31	.14	−190	−.90	−25	−.12
1981	−13,759	−9.09	757	.50	N.H.	−19	−.72	2	.07	−21	−.84	2	.07
					N.J.	−68	−.73	13	.14	−61	−.68	12	.13
Monthly					N.Y.	−538	−.69	−166	−.21	−1,003	−1.28	−798	−1.02
1982					−City	−393	−.77	−183	−.36	−864	−1.57	−784	−1.43
Apr.	−1,800	−1.18	−977	−.64	−Upstate	−145	−.53	16	.06	−139	−.59	−14	−.06
May	−654	−.43	232	.15	Penn.	28	.22	122	.94	39	.30	120	.94
June	−1,226	−.81	730	.48	R.I.	−1	−.06	9	.52	−4	−.26	6	.33
July	−1,065	−.70	−186	−.12	Vt.	8	.89	13	1.44	1	.08	7	.81
Aug.	−809	−.53	124	.08	Wash.	−5	−.16	3	.08	−55	−1.42	−45	−1.15
Sept. (Est.)	−850	−.57	1,150	.77	TOTAL	−809	−.53	124	.08	−1,542	−1.02	−672	−.44

Note: Regular deposits excludes special purpose accounts such as checking, school and club. est.—estimated.

ASSETS AND LIABILITIES OF ALL SAVINGS BANKS

(Amounts in millions of dollars)

Item	Mtges.	Mtge.-backed	Investments				Other assets	Total assets-total liabilities & gen. res. accts.	Deposits				Other liabilities	General reserve accounts
			U.S. Govt. & Federal agencies	State & Local Govt.	Corp. bonds	Corp. stocks			Total[1]	Savings	Time: Market-linked[2]	Time: Other		
Year-end														
1977	88,195	8,331	9,233	2,828	21,498	4,751	12,450	147,287	134,017	78,005	—	54,739	3,292	9,978
1978	95,157	10,021	8,297	3,333	21,566	4,807	14,991	158,174	142,701	71,816	13,000	56,354	4,565	10,907
1979	98,908	11,820	7,658	2,930	20,507	4,760	16,821	163,405	146,006	61,123	34,996	47,951	5,873	11,525
1980	99,865	13,849	8,949	2,390	21,209	4,224	21,078	171,564	153,501	53,971	62,981	34,464	6,694	11,368
Month-end														
1981														
Sept.	99,944	13,994	9,594	2,323	20,384	3,740	25,255	175,234	153,412	49,254	76,049	25,769	11,459	10,364
Oct.	99,903	14,079	9,765	2,394	20,302	3,727	25,523	175,693	154,066	48,238	78,931	24,806	11,513	10,114
Nov.	99,879	13,893	9,508	2,271	20,268	3,713	25,727	175,258	153,809	48,456	79,773	23,558	11,434	10,015
Dec.	99,997	13,911	9,810	2,288	20,249	3,630	25,843	175,728	155,110	49,425	80,387	23,192	10,632	9,986
1982														
Jan.	99,788	13,948	9,991	2,290	20,288	3,613	26,020	175,938	154,843	48,898	81,825	22,078	11,280	9,814
Feb.	98,838	14,030	9,966	2,293	20,186	3,565	26,885	175,763	154,626	48,297	82,997	21,321	11,464	9,672
Mar.	97,464	13,738	10,072	2,276	20,166	3,475	27,585	174,776	154,021	48,412	83,402	20,164	11,132	9,622
Apr.	97,160	13,793	10,146	2,269	20,256	3,424	27,765	174,813	153,187	47,733	83,992	19,296	12,141	9,485
May	96,334	13,990	9,968	2,259	20,079	3,417	28,905	174,952	153,354	47,895	84,898	18,460	12,246	9,352
June	96,346	14,072	10,112	2,253	19,507	3,379	29,423	175,091	154,273	47,942	85,982	18,106	11,230	9,588
July	96,231	14,111	10,036	2,247	19,151	3,408	30,379	175,563	154,204	47,534	86,735	17,575	11,940	9,419
Aug.	94,448	13,787	9,653	2,214	18,830	3,339	30,509	172,780	151,897	46,856	85,780	16,976	11,690	9,192
Sept. (Est.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	152,997	n.a.	85,400	n.a.	n.a.	n.a.
% of Total Assets Aug. 31, 1982	54.7	8.0	5.6	1.3	10.9	1.9	17.7	100.0	87.9	27.1	49.6	9.8	6.8	5.3
Change during month	−179	−29	−279	−24	223	7	587	305	90	−103	40	188	351	−136

Note: Balance sheet data beginning with April 30, 1979 are not strictly comparable with prior months. This largely reflects: (1) changes in FDIC reporting procedures; and (2) reclassification of certain items. n.a.—not available. Est.—estimated. Source: NAMSB.

[1]— Total deposit figures include checking, school, club and certain other accounts not shown separately.

[2]— Market-linked figures include 91-day, 6-mo. MMCs, 30-mo. SSCs, and All Savers Certificates.

NOTE

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